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DAN SMOOT

A CAN OF WORMS

The Parvin-Dohrmann Company sells hotel supplies and equipment. In the 1950's, the company acquired, in Las Vegas, the Flamingo Hotel and gambling casino, which was heavily in debt to Parvin-Dohrmann. In 1959, the company sold the Flamingo. Albert Parvin (founder and principal officer of Parvin-Dohrmann) made almost $3 million profit on the Flamingo deal.[1]

With this profit (which he says he did not need), Parvin established the Albert Parvin Foundation, whose announced purpose is to give leadership training and education, in the United States, to people from under-developed nations in Latin America, Africa, and Asia. Parvin says his inspiration for this project came from a book by Supreme Court Justice William O. Douglas. The assets which Parvin gave his foundation consisted largely of stock in the Parvin-Dohrmann Company (which owned several gambling establishments).

The Albert Parvin Foundation was organized in 1960, and Justice Douglas immediately became its first president. For two years, he was recompensed for his services and expenses on a per-day basis. In 1962, he was put on a $12,000-a-year salary (later raised to $12,625). Douglas was the only paid officer of the foundation. The headquarters and clerical staff (in Los Angeles) consisted of one room, and one woman who provided an answering service and performed other routine chores for Douglas.[2]

About the time the Albert Parvin Foundation was created, the CIA started pouring tax money into the Institute for International Labor Research, which was operating a training school in Costa Rica for leftwing radicals. Norman Thomas, U.S. socialist leader, was chairman of the Institute. The CIA-financed Institute, under the tutelage of such pro-communist figures as Juan Bosch (a friend of Justice William O. Douglas), was apparently involved in the intrigue that led to the murder of Raphael Trujillo, dictator of the Dominican Republic.

After Trujillo's death, Juan Bosch (who had been exiled from the Dominican Republic because of

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communist activities) returned and became president of the Republic in 1963. Thereupon, the Institute of International Labor Research changed its name to Inter-American Center of Economic and Social Studies and moved to the Dominican Republic. Justice William O. Douglas became a board member of the Inter-American Center and started contributing Parvin Foundation money to it.

The activities of this Center (financed by a U.S. agency and by a tax-exempt foundation presided over by a U.S. Supreme Court Justice) helped foment in the Dominican Republic the chaotic conditions of 1965, when President Johnson sent American armed forces ostensibly to prevent communists from taking the country over.

The Inter-American Center went out of existence in 1966; but before it folded, it used the remainder of the money given to it by the CIA and the Parvin Foundation to publish a vicious attack on the United States.[3]

Two individual recipients of the Parvin Foundation's benefactions during Justice Douglas's presidency were J. Robert Oppenheimer (once a self-admitted communist who was ousted from the atomic energy program as a security risk), and Teodoro Moscoso (a Puerto Rican socialist). Douglas approved lecture fees of $5000 each for these men.[4]

But most of the Parvin Foundation's "charitable" disbursements during Justice Douglas's tenure as president went to Justice Douglas himself and to the Center for the Study of Democratic Institutions (in Santa Barbara), of which Justice Douglas is board chairman. The foundation has paid Justice Douglas $85,000 in salary, and has given the Center for the Study of Democratic Institutions $177,000 — making the Center the largest, and Justice Douglas himself the second largest, beneficiary of the Parvin Foundation's grants during Douglas's presidency. At the same time, the Center was paying Justice Douglas $500-a-day in fees for services when rendered.[2]

The cozy interlock between the Albert Parvin Foundation and the Center for the Study of Democratic Institutions intertwines with the interlock between Justice William O. Douglas and Abe Fortas. It is a real can of worms.

Justice Douglas was president of the Parvin Foundation and was also (and still is) board chairman of the Center for the Study of Democratic Institutions. Robert Hutchins is president of the Center, and also board member of the Parvin Foundation. Harry Ashmore (pro-Hanoi journalist, formerly of Little Rock) is director and executive secretary of the Parvin Foundation, and is also executive vice president of the Center. Chief Judge William J. Campbell of the U. S. District Court for Northern Illinois — a protege of Abe Fortas — is a director of the Parvin Foundation. The Parvin Foundation's lawyer (until after Douglas's resignation as president in May, 1969) was Abe Fortas's wife, a friend of Justice Douglas.

To sum it up: the Parvin Foundation paid Justice Douglas $12,000-a-year-plus to dispense the Foundation's tax-exempt money. Douglas dispensed some of it to an organization which Senator Strom Thurmond calls "a wellspring of Marxist thought and activities" in Latin America; dispensed about $16,000 to Mrs. Abe Fortas for legal fees; dispensed $10,000 to two socialist friends; dispensed $85,000 to himself; and gave $177,000 to the Center for the Study of Democratic Institutions which, at the same time, was paying Justice Douglas (as board chairman) $500-a-day in fees for services when rendered. The Center was also paying comparable fees for services when rendered to cronies of Justice Douglas — such as Senators William Fulbright and John Sherman Cooper.[2]

Those who think Justice Fortas got all the gravy should remember that William O. Douglas was Abe Fortas's teacher at Yale, many years ago.

None of this is intended to imply that Albert Parvin was unhappy about the way Justice Douglas ran the Parvin Foundation. In fact, Parvin says Douglas was worth more than he was ever paid.[5]

Why were Douglas's services valuable to Parvin? The record of foundation disbursements during Douglas's presidency does not provide a plausible answer. Could it be that Justice Douglas

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provided the foundation some insulation against close scrutiny, by giving it an appearance of respectability and high-level approval?

It could be. Well-informed individuals consider the Parvin Foundation a front for some of Parvin's wheeling and dealing.[6] Parvin has long been suspected of using the foundation's funds for his own benefit, to avoid income taxes.[2, 8]

These suspicions rest on facts.

Parvin organized his foundation in 1960, giving it shares of stock in his own company. In April, 1961, he sold stocks in another company *to his foundation* for $119,700. In December, 1961, he bought *from his foundation* stocks in still another company.

The Internal Revenue Service calls such transactions — between an individual and a tax-exempt foundation he organized — "self-dealing." They are not illegal, but they must be reported in the tax-exempt foundation's tax returns. On occasion, they have been the basis for revocation of the tax exemption.

In 1962, the Albert Parvin Foundation, in its formal application for federal tax exemption, answered *no* to the Internal Revenue Service question of whether the foundation's organizer had sold it "any securities or other properties." If not an egregious error, that *no* was a lie — for which somebody could have been prosecuted; but no one ever was.[7]

Justice Douglas's employment with the Albert Parvin Foundation created extraordinary, if indirect, links between the Las Vegas underworld and the U. S. Supreme Court. Consider, for example, the involved case of Edward Levinson. In the early 1960's, Levinson was manager of the Fremont Hotel and gambling casino in Las Vegas; and he was involved in the Bobby Baker scandals. In 1964, when questioned about his connections with Baker's illegal activities in Las Vegas, Levinson took the Fifth Amendment and refused to answer.

The Department of Justice filed criminal charges against Levinson, alleging that he had falsified the Fremont's tax returns. Levinson countered by suing FBI agents for $2 million, alleging they had invaded his privacy by installing listening devices in his office.

In July, 1965, the Parvin-Dohrmann Company bought the Fremont. The deal stipulated that Parvin-Dohrmann would keep Edward Levinson on the Fremont payroll at a salary of $100,000 a year. Later, Parvin sold the Fremont, taking a big mortgage and giving income from the mortgage to his foundation.

On October 16, 1966, a news break revealed: (1) that Justice William O. Douglas was on the Albert Parvin Foundation payroll as president, drawing almost one-third as much for his services as he was making in salary as a Supreme Court Justice; (2) that the foundation had been under investigation for months because of alleged tax irregularities; (3) that the foundation, created and financed by Las Vegas gambling interests had connections apparently reaching into the powerful, organized, criminal syndicates of the United States.

When this news broke, the Supreme Court had before it an appeal of a tax-evasion conviction against Fred Black, Jr., a business associate of Edward Levinson and Bobby Baker.

Some Members of Congress were concerned. On October 17, 1966, Senator John Williams (Delaware Republican) asked Chief Justice Earl Warren to comment. Two weeks later (October 31), Warren replied that Douglas's connection with the Albert Parvin Foundation was a personal matter.

Meanwhile, Harry Ashmore (executive secretary of the Parvin Foundation) tried to allay public indignation about Justice Douglas's deep involvement with such a questionable, government-favored organization. Ashmore made a pious public announcement that the Parvin Foundation had always pursued a "Caesar's wife" policy — carefully avoiding even the appearance of wrongdoing. To prove its impeccability, Mr. Ashmore said, the foundation was calling in an independent tax-analyst who would objectively review the foundation's accounts, and make full public disclosure. The "independent tax-analyst" called in was Mrs. Abe Fortas. She selected an accounting firm to conduct an audit — which began in December, 1966. Shortly thereafter, the accounting

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firm gave Mrs. Fortas a report which asserted that "the most exhaustive investigation . . . produced nothing to justify IRS action" against the Parvin Foundation.[8]

The public and congressional clamor for Justice Douglas to resign from the Supreme Court (which Douglas had contemptuously ignored) abated.

In 1967, the government named Albert Parvin (Justice William O. Douglas's employer and benefactor) a co-conspirator with Louis E. Wolfson (Justice Abe Fortas's employer and benefactor) in one of the stock-manipulation deals for which Wolfson was later convicted. Parvin was never indicted.[9]

In 1967, Albert Parvin's tax-exempt foundation lent Albert Parvin's business firm $750,000 — $700,000 of which is still outstanding, according to the Albert Parvin Foundation's latest tax return.[10]

In 1967, one Sherman Skolnick of Chicago became entangled in litigation which eventually involved several taxpayers' suits. The cases came before the federal district court presided over by Judge William J. Campbell — a protege of Abe Fortas, and associated with William O. Douglas as a board member of the Albert Parvin Foundation. Skolnick has made numerous unsuccessful efforts to have Judge Campbell removed from these cases. He presently has a suit pending, alleging that Judge Campbell's connection with the Parvin Foundation links him to such characters as Edward Levinson and to another, unnamed, who is alleged to be a "gangster and specialist in multiple murder."[7]

In 1968, the federal tax cases against Edward Levinson and associates in Nevada were quietly, and rather strangely, disposed of. Apparently, the Justice Department made a deal with Levinson. Levinson pleaded "no contest" to the criminal charges against him, and was let off with a $5000 fine. Levinson withdrew his suit against FBI agents. The Justice Department dismissed charges against three other former Fremont stockholders involved with Levinson.

Federal agents who had handled the Levinson and related cases were stunned that the defendants were treated so gently. The agents had hoped, by getting stiff sentences in these cases, to stop the practice of funneling gambling profits into the underworld without paying federal taxes on them.

But the furore about Justice Douglas's connections with shady characters and mysterious doings (which had subsided in December, 1966, when Mrs. Abe Fortas gave the Albert Parvin Foundation a certification of purity) did not revive until May, 1969, when the Abe Fortas scandal broke.

NEXT WEEK: More on the Douglas scandal.

FOOTNOTES

(1) Most information on the Parvin-Dohrmann Company and on the Albert Parvin Foundation is from material read into the *Congressional Record* (daily), May 5, 1969, pp. S4509-S4516, by Senator John Williams.

(2) "More Trouble in Paradise," by Nicholas von Hoffman, *Washington Post*, May 19, 1969

(3) Information on the Inter-American Center is from a speech by Senator Strom Thurmond, *Congressional Record* (daily), June 9, 1969, pp. S6209 ff. For additional information on the CIA's involvement in the assassination of Trujillo, see "The Dominican Republic," *The Dan Smoot Report*, May 17, 1965.

(4) "Douglas Next on Court Purge List," Robert Baskin, *Dallas Morning News*, June 4, 1969, p. 19 A

(5) *New York Times*, May 24, 1969, pp. 1 C, 18 C

(6) *The Government Employees Exchange*, May 28, 1969

(7) *Human Events*, June 7, 1969

(8) *New York Times*, May 26, 1969, p. 26; *Congressional Quarterly Weekly Report*, May 16, 1969; p. 709; *Dallas Morning News*, May 16, 1969, p. 4 A

(9) *Washington Evening Star*, May 10, 1969; *Congressional Record* (daily), May 12, 1969, p. H3524; *Congressional Quarterly Weekly Report*, May 16, 1969, p. 709

(10) *Dallas Times Herald*, June 3, 1969, p. A 11

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